

# **Senate Democratic Jobs & Economic Development Packages**

## **RURAL JOBS INITIATIVE**

### **1. Boost Dairy Modernization Tax Credit**

WHAT: Increases the amount of tax credits available for dairies to continue to modernize facilities, in the process employing workers on these projects. The amount of available credits will increase from \$700,000 to \$1 million annually for both co-operatives and other dairy operations.

#### **Impact on Jobs**

- Boosts jobs by promoting expansion in Wisconsin's \$26.5 billion dairy industry that employs 150,000
- Helps Wisconsin dairy industry regain competitive status by making dairies more efficient, cost effective and profitable.

### **2. Boost Food Processing Modernization Tax Credit**

WHAT: Increases cap on credit for upgrading and expanding food processing and warehousing facilities from \$700,000 in FY '11 and beyond to \$1.2 million

#### **Impact on Jobs**

- Helps food processing companies modernize and expand their operations, cut costs, invest in new technology, save energy and create jobs.
- There are over 2,000 food processing facilities and warehouses in Wisconsin generating \$33 billion in economic activity.
- Wisconsin is a leader in several commodities :
  - Cranberries (First), accounting for nearly 60% of the nation's crop
  - Snap beans for processing (First), accounting for 40.5% of the US crop
  - Carrots for processing (Second), making up 19.1% of the US total
  - Sweet corn for processing (Second), accounting for 23% of the US total
  - Green peas for processing (Third), making up 18.5% of the US crop
  - Potatoes (Third), accounting for more than \$293 million

### **3. Boost Meat Processing Facility Investment Credit**

WHAT: Increases cap on credit for upgrading and expanding meat processing facilities from \$700,000 in FY '11 and beyond to \$1.2 million.

#### **Impact on Jobs**

- Promoting expansion in an industry that ranks among Wisconsin's top ten agricultural exports.
- Many of our meat processing facilities are smaller operations that need to be upgraded to continue to be productive.
- Program is oversubscribed, meaning more job growth is possible if the cap is raised.

### **4. CDFI Credit**

WHAT: A 10% tax credit incentive for Wisconsin residents and corporations to invest in Wisconsin Community Development Finance Institutions that work closely with rural and urban communities to spur development, add quality affordable housing and grow small businesses through micro-financing.

#### **Impact on Jobs**

- Encouraging investment in gap areas around the state and bringing capital to small businesses that are having trouble securing financing.
- CDFIs combine a financial return coupled with a social return. They not only lend money but they also provide financial counseling and advice before and after making a loan.

## **ENTREPRENEURSHIP INITIATIVE**

### **1. Wisconsin Growth Fund**

WHAT: Directs WEDC to use bonding authority to create an investment fund to leverage \$500 million of venture capital in Wisconsin companies.

#### **Impact on Jobs**

- Addressing the number one obstacle to business growth and expansion in Wisconsin—shortage of venture capital
- Second-stage investments help when companies are most likely to add new jobs
- Builds home-grown venture funds dedicated to building Wisconsin's economy
- Not funded through tax dollars and taxpayers are not on the hook

### **2. Refundable Accelerate Wisconsin Credit**

WHAT: Makes current 25% credit for investment in qualified tech companies refundable.

#### **Impact on Jobs**

- These tax credits have leveraged tens of millions of early-stage investment dollars and have helped in the creation of new companies statewide.
- Research has shown that every \$1 invested in angel and venture tax credits leverages \$4 in private investment in new business start-ups.
- Will make this tool more attractive to out-of-state investors and others with no state tax liability.

### **3. WISys Small Company Advancement Program**

WHAT: WiSCAP connects the high-tech research and development needs of Wisconsin small companies (25 employees or less) with the technical expertise of faculty at the UW comprehensive campuses to stimulate economic growth, create new jobs and educate students. Bill expands funding by \$400,000 annually.

#### **Impact on Jobs**

- Just as UW Madison research led to the development of the biotech and medical device industries in Dane County, WiSCAP is creating similar university/business partnerships statewide
- Seven research partnerships have been formed to commercialize university research since the program was created (in CORE Jobs Act) in 2010.

**4. Authorize 15 Faculty Positions at the Wisconsin Institutes for Discovery**

WHAT: Provide UW Madison the 15 faculty positions WID needs to advance science in health and biotechnology and move forward with the creation of new businesses and jobs that come from that research.

**Impact on Jobs**

- Furthering the University's leadership in biotechnology, which has fostered an \$8.7 billion industry in our state. Wisconsin has about 400 companies in this area with over 34,000 employees, thanks to University research.
- The innovations WID will develop will become the new Wisconsin businesses of tomorrow.

**5. Authorize and Fund UW Milwaukee School of Freshwater Science and School of Public Health**

WHAT: Funds 15 FTE faculty positions for the School of Public Health and 5 FTE faculty positions for the School of Freshwater Science at the University of Wisconsin-Milwaukee beginning in FY 12.

**Impact on Jobs**

- The School of Freshwater Science will serve to support the business development and job creation efforts of southeastern Wisconsin, which is home to more than 130 water technology companies.
- The School of Public Health at UW Milwaukee will play a critical role in educating the next generation of public health workers

## **MANUFACTURING AND WORKFORCE DEVELOPMENT PACKAGE**

### **1. Advanced Manufacturing Training Grants**

WHAT: Expands by \$400 k annually a program that enables the Wisconsin Technical College System to work with businesses to provide training in in-demand manufacturing skills and help our manufacturers compete globally.

#### **Impact on Jobs**

- Helps Wisconsin companies expand operations by providing customized training in new manufacturing skills.
- Acts as an incentive for companies considering locating here.
- The original \$1 million in grants were used rapidly by 103 companies to train 4,135 workers.
- Creates jobs in high-paying skilled manufacturing sector

### **2. CAP Services Skills Enhancement Program**

WHAT: Expand (from \$250k to \$500k annually) this program that assists low-wage earning workers to obtain training to enhance job skills and employability. Program provides transportation, child care and other support needed for low-wage workers to attend training.

#### **Impact on Jobs**

- Makes low-income workers more employable
- Improves the skills of Wisconsin's workforce
- Workers who have completed the program to date have seen an average income boost of \$5.51/hr

### **3. Rapid Response Team**

WHAT: Directs WEDC to develop proactive approach to preventing layoffs, including identification of and regular contact with state's top companies, analysis of key industry sectors, and development of best-practices database.

#### **Impact on Jobs**

- Promotes job retention and avoids layoffs by identifying companies for assistance BEFORE layoff notices
- One of the strategies called for in the Be Bold report

#### **4. Veterans Tuition Remission**

WHAT: Eliminate the deduction of academic fees paid under the New GI bill from the number of credits or semesters for which the Board of Regents or a district board remits fees for veterans and their dependents to allow veterans to take full advantage of assistance to train for well-paying jobs.

##### **Impact on Jobs**

- Will permit veterans to finish their degree programs and prepare for new careers

#### **5. Small Business Tax Credit**

WHAT: Allows companies to retain state withholding tax for new full-time non-seasonal jobs filled with unemployed workers.

##### **Impact on Jobs**

- Direct incentive to small business to hire the unemployed
- Will reduce the cost of new hires for small business
- Gives unemployed job seekers an edge